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SUBJECT: SOUTHERN SERBIA COPES WITH NEW POLITICAL REALITIES

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Summary

¶1. (SBU) In addition to the ongoing challenge of its integration with the rest of Serbia, the ethnically-mixed Presevo Valley is struggling with the impact of Kosovo independence on links across the new border. Politically, ethnic Albanian leaders are still divided between two camps: pro-integration moderates favoring cooperation with Belgrade and hardliners against. May elections will determine which camp is stronger. Serb and Albanian leaders told the Ambassador during an early April visit that the region is calm because assistance from Belgrade and the international community has improved quality of life. Businesses reported problems exporting goods to Kosovo (a major source of revenue for this region) and mayors raised concerns about whether Republic of Kosovo certificates (such as diplomas) will be accepted in Serbia. End Summary.

Political Landscape

¶2. (SBU) Serb and Albanian leaders in Southern Serbia were focused on upcoming local and national elections. Albanian leaders remain divided over whether to participate in parliamentary elections. Riza Halimi's Party for Democratic Action (PVD) planned to run for parliament but Halimi told the Ambassador on April 8 that prospects were bleak due to divisions within his coalition, the threat of a boycott from hardliners and the requirement for minority lists to gather 10,000 votes. Halimi complained that the higher threshold (7,000 more than in January 2007) disproportionately affected his community due to their small number of voters and lack of cooperation from large national parties. (Since the meeting, the Liberal Democratic Party has begun assisting the Presevo Valley Albanians to collect signatures and NDI is looking for ways to help.) Halimi told the Ambassador that Pristina leaders had been "more supportive" of Presevo Valley Albanian participation in Serbian elections in January 2007 than now. Halimi said the public comments by Albanian Prime Minister Berisha were "especially

helpful" to the pro-participation bloc. Halimi told the Ambassador that Presevo Mayor Ragmi Mustafa and Bujanovac Deputy Mayor Jonuz Musliu were repeating their efforts to suppress Presevo Valley Albanian turnout without an outright call for a boycott. Halimi said that he and coalition partner Skender Destani had been branded "national traitors" in a leaflet campaign sanctioned by Musliu, Mustafa and war veterans last year and expected the same again.

13. (SBU) Presevo Mayor and hardliner Mustafa said it would be "ridiculous" for Presevo Valley Albanians to participate in national elections. Mustafa told the Ambassador on April 8 that he would not call for Albanians to boycott the national elections and later mischaracterized his meeting with the Ambassador to local press, falsely claiming the Ambassador had agreed with his decision not to participate. The Ambassador clarified to both local and national media on April 9 that Mayor Mustafa had assured him there would be no boycott and reiterated support for all Serbian citizens to vote in national elections.

Presevo Valley Serbs

14. (SBU) Democratic-bloc Serb leaders in the Presevo Valley were frustrated that national politics was dominating the local election campaign. Nenad Manic, head of the Democratic Party (DS) branch in Presevo, told the Ambassador on April 8 that the DS-bloc's pro-EU message "was not resonating" in this poor, rural region of Serbia. He complained that the DS had "lost control" on social issues, ceding these to the Radicals by appearing out of touch or corrupt to the average voter and their links with tycoons were especially harmful. Manic said the region was cut off despite its location, noting that only 7% of

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the citizens in nearby Leskovac (a former textile center dubbed "Serbian Manchester") held passports, with even fewer in Southern Serbia.

15. (SBU) Moderate Serbs and Albanians blamed hardliners in Belgrade for disrupting interethnic cooperation with their nationalist agenda. Manic told the Ambassador that Prime Minister Kostunica (DSS) was the "main barrier" to regional progress because he was holding EU-integration "hostage" over Kosovo. Former Bujanovac Mayor (and ethnic Serb) Stojanca Arsic said nationalists like Kostunica stalled implementation of the 2001 Civic Plan which was to stabilize and integrate Southern Serbia after the 2001 unrest. Arsic said that while the security situation was calm, the economic elements of the plan (creating jobs, improving infrastructure) were just as important. Arsic praised Halimi for raising these issues in Parliament but expressed disappointment that Halimi was attacked by Socialist and Radical MPs in response. Arsic and Manic both said they hoped to cobble together moderate Serb-Albanian coalitions if possible after May 11 elections as both said progress in the region would be impossible with that kind of cooperation on shared goals.

New Challenges

16. (SBU) Political and business leaders told the Ambassador they

were worried about some of the local impacts of Kosovo independence. Dairy producers (a key local industry), both Serb and Albanians, said they recently started having difficulty exporting their products to Kosovo, on the Kosovo side of the border. The dairy owners, who receive assistance from the USG from SCOPES, told the Ambassador that authorities in Kosovo required new certifications but it was difficult to find out specifics of the new requirements. They did not report any GOS obstructions to trade. (Assistant Kosovo Minister Branislava Alendar told poloff on April 9 that the GOS was not obstructing any trade from Serbia to Kosovo.) These Serb and Albanian business owners worried they may lose a critical export market in Kosovo.

17. (SBU) Presevo Valley Albanian leaders worried about whether Kosovo university certificates would be accepted in Serbia after independence. Many Presevo Valley Albanians complete higher studies in Pristina. Both Halimi and Bujanovac Mayor Nagip Arifi told the Ambassador they were concerned that if the certificates had "Republic of Kosovo" printed on them they would not be acceptable documents in Bujanovac and Presevo. Halimi and Arifi hoped that students could get access to a second diploma or some other mutually acceptable solution that would allow their constituents to return with an advanced degree and work in Southern Serbia.

Comment

18. (SBU) Southern Serbia, surrounded on three sides by neighboring countries and blessed with a major European highway route, has a solid basis for economic growth. With continuing international assistance, this poor region should overcome the newest challenges in the aftermath of Kosovo independence. Moderate Serbs and Albanians agree that investment from the U.S. and other donors has played a critical role in stabilizing the region and keeping Belgrade engaged. It is more important than ever, therefore, to keep Presevo Valley Albanians involved in Serbian politics and to ensure that ramifications of Kosovo independence do not break existing cultural and commercial ties between Southern Serbia and Kosovo. End Comment.
MUNTER